



## **Billing Codes**

OCC: 4810-33-P 1/3  
Board: 6210-01-P 1/3  
FDIC: 6714-01-P 1/3

## **DEPARTMENT OF THE TREASURY**

### **Office of the Comptroller of the Currency**

### **FEDERAL RESERVE SYSTEM**

### **FEDERAL DEPOSIT INSURANCE CORPORATION**

#### **Agency Information Collection Activities; Submission for OMB Review; Comment Request**

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Joint notice and request for comment.

**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. On September 28, 2018, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to revise and extend the Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (FFIEC 031), the Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only (FFIEC 041), and the Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than \$1 Billion (FFIEC 051), which are currently approved collections of information. The Consolidated Reports of Condition and Income are commonly referred to as Call Reports. In addition, the FFIEC requested public comment for 60 days on a

proposal to revise and extend the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002) and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S), which are currently approved collections of information. The Board published this proposal on behalf of the agencies. Also, the agencies requested public comment for 60 days on proposals to revise and extend the Foreign Branch Report of Condition (FFIEC 030), the Abbreviated Foreign Branch Report of Condition (FFIEC 030S), and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101), which are currently approved collections of information.

The comment period for the September 2018 notice ended on November 27, 2018. As described in the **Supplementary Information** section, after considering the comments received on the proposals, the FFIEC and agencies will proceed with the proposed reporting revisions to and extensions of the FFIEC 031, FFIEC 041, FFIEC 051, FFIEC 002, FFIEC 002S, FFIEC 030, FFIEC 030S, and FFIEC 101, as originally proposed, with some modification to the FFIEC 031 and FFIEC 041. These proposed revisions generally address the revised accounting for credit losses under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13). This proposal also includes regulatory capital reporting changes related to implementing the agencies' recent final rule on the implementation and capital transition for the current expected credit losses methodology (CECL).

In addition, this notice includes other revisions to the Call Reports and the FFIEC 101 resulting from two sections of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), effective upon enactment on May 24, 2018, that affect the

information reported in these reports and for which the agencies submitted emergency review requests to OMB that OMB has approved.

The proposed revisions related to ASU 2016-13 would begin to take effect March 31, 2019, for reports with quarterly report dates and December 31, 2019, for reports with an annual report date, with later effective dates for certain respondents.

In addition, the agencies are giving notice they are sending the collections to OMB for review.

**DATES:** Comments must be submitted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**ADDRESSES:** Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the “CECL and EGRRCPA Reporting Revisions,” will be shared among the agencies.

OCC:

Commenters are encouraged to submit comments by e-mail, if possible. You may submit comments by any of the following methods:

- E-mail: [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov).
- Mail: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: “CECL and EGRPRA Reporting Revisions,” 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- Fax: (571) 465-4326.

Instructions: You must include “OCC” as the agency name and “CECL and EGRPRA Reporting Revisions,” in your comment. In general, the OCC will publish your comment on

*www.reginfo.gov* without change, including any business or personal information that you provide, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Additionally, please send a copy of your comments by mail to: OCC Desk Officer, U.S. Office of Management and Budget, Attn: 1557-0081, 1557-0099, 1557-0239, 725 17th Street, NW., #10235, Washington, DC 20503 or by email to *oira\_submission@omb.eop.gov*.

You may review comments and other related materials that pertain to this information collection following the close of the 30-Day comment period for this notice by any of the following methods:

- Viewing Comments Electronically: Go to *www.reginfo.gov*. Click on the “Information Collection Review” tab. Underneath the “Currently under Review” section heading, from the drop-down menu, select “Department of Treasury” and then click “submit.” This information collection can be located by searching by OMB control numbers 1557-0081, 1557-0099, and 1557-0239. Upon finding the appropriate information collection, click on the related “ICR Reference Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.
- For assistance in navigating *www.reginfo.gov*, please contact the Regulatory Information Service Center at (202) 482-7340.
- Viewing Comments Personally: You may personally inspect comments at the OCC, 400 7th Street, SW., Washington, DC. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons

who are deaf or hearing impaired, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect comments.

Board: You may submit comments, which should refer to “CECL and EGRRCPA Reporting Revisions,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include “CECL and EGRRCPA Reporting Revisions” in the subject line of the message.
- Fax: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available from the Board’s website at [www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street, NW. (between 18th and 19th Streets, NW.), Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

FDIC: You may submit comments, which should refer to “CECL and EGRRCPA Reporting Revisions,” by any of the following methods:

- Agency website: <https://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC’s website.

- Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: [comments@FDIC.gov](mailto:comments@FDIC.gov). Include “CECL and EGRRCPA Reporting Revisions” in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3007, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Public Inspection: All comments received will be posted without change to <https://www.fdic.gov/regulations/laws/federal/> including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503; by fax to (202) 395-6974; or by email to [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** For further information about the proposed revisions to the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the reporting forms for the reports within the scope of this notice can be obtained at the FFIEC’s website ([https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm)).

*OCC*: Kevin Korzeniewski, Counsel, (202) 649-5490, or for persons who are deaf or hearing impaired, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Washington, DC 20219.

*Board*: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

*FDIC*: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

#### **A. ASU 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments”**

In June 2016, the FASB issued ASU 2016-13, which introduced CECL for estimating allowances for credit losses and added Topic 326, Credit Losses, to the Accounting Standards Codification (ASC). The new credit losses standard changes several aspects of existing U.S. generally accepted accounting principles (U.S. GAAP) as follows:

- *Introduction of a new credit loss methodology.*

The new accounting standard developed by the FASB has been designed to replace the existing incurred loss methodology in U.S. GAAP. Under CECL, the allowance for credit losses is an estimate of the expected credit losses on financial assets measured at amortized cost, which is measured using relevant information about past events, including historical credit loss experience on financial assets with similar risk

characteristics, current conditions, and reasonable and supportable forecasts that affect the collectability of the remaining cash flows over the contractual term of the financial assets. In concept, an allowance will be created upon the origination or acquisition of a financial asset measured at amortized cost. At subsequent reporting dates, the allowance will be reassessed for a level that is appropriate as determined in accordance with CECL. The allowance for credit losses under CECL is a valuation account, measured as the difference between the financial assets' amortized cost basis and the amount expected to be collected on the financial assets, i.e., lifetime expected credit losses.

- *Reduction in the number of credit impairment models.*

Impairment measurement under existing U.S. GAAP has often been considered complex because it encompasses five credit impairment models for different financial assets.<sup>1</sup> In contrast, CECL introduces a single measurement objective to be applied to all financial assets measured at amortized cost, including loans held-for-investment (HFI) and held-to-maturity (HTM) debt securities. CECL does not, however, specify a single method for measuring expected credit losses; rather, it allows any reasonable approach, as long as the estimate of expected credit losses achieves the objective of the FASB's new accounting standard. Under the existing incurred loss methodology, institutions use various methods, including historical loss rate methods, roll-rate methods, and discounted cash flow methods, to estimate credit losses. CECL allows the continued use of these

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<sup>1</sup> Current U.S. GAAP includes five different credit impairment models for instruments within the scope of CECL: ASC Subtopic 310-10, Receivables-Overall; ASC Subtopic 450-20, Contingencies-Loss Contingencies; ASC Subtopic 310-30, Receivables-Loans and Debt Securities Acquired with Deteriorated Credit Quality; ASC Subtopic 320-10, Investments-Debt and Equity Securities - Overall; and ASC Subtopic 325-40, Investments-Other-Beneficial Interests in Securitized Financial Assets.



methods; however, certain changes to these methods will need to be made in order to estimate lifetime expected credit losses.

- *Purchased credit-deteriorated (PCD) financial assets.*

CECL introduces the concept of PCD financial assets, which replaces purchased credit-impaired (PCI) assets under existing U.S. GAAP. The differences in the PCD criteria compared to the existing PCI criteria will result in more purchased loans HFI, HTM debt securities, and available-for-sale (AFS) debt securities being accounted for as PCD financial assets. In contrast to the existing accounting for PCI assets, the new standard requires the estimate of expected credit losses embedded in the purchase price of PCD assets to be estimated and separately recognized as an allowance as of the date of acquisition. This is accomplished by grossing up the purchase price by the amount of expected credit losses at acquisition, rather than being reported as a credit loss expense. As a result, as of the acquisition date, the amortized cost basis of a PCD financial asset is equal to the purchase price of the asset plus the allowance for credit losses, rather than equal to the purchase price as is currently recorded for PCI loans.

- *AFS debt securities.*

The new accounting standard also modifies the existing accounting practices for impairment on AFS debt securities. Under this new standard, institutions will recognize a credit loss on an AFS debt security through an allowance for credit losses, rather than a direct write-down as is required by current U.S. GAAP. The recognized credit loss is limited to the amount by which the amortized cost of the security exceeds fair value. A write-down of an AFS debt security's amortized cost basis to fair value, with any incremental impairment reported in earnings, would be required only if the fair value of

the AFS debt security is less than its amortized cost basis and either (1) the institution intends to sell the debt security, or (2) it is more likely than not that the institution will be required to sell the security before recovery of its amortized cost basis.

Although the measurement of credit loss allowances is changing under CECL, the FASB's new accounting standard does not address when a financial asset should be placed in nonaccrual status. Therefore, institutions should continue to apply the agencies' nonaccrual policies that are currently in place.<sup>2</sup> In addition, the FASB retained the existing write-off guidance in U.S. GAAP, which requires an institution to write off a financial asset in the period the asset is deemed uncollectible.

Institutions<sup>3</sup> must apply ASU 2016-13 in their Call Report, FFIEC 002,<sup>4</sup> FFIEC 002S, FFIEC 030, FFIEC 030S, and FFIEC 101 submissions in accordance with the effective dates set forth in the ASU, if an institution is required to file such form. For institutions that are public business entities (PBE) and also are Securities and Exchange Commission (SEC) filers, as both terms are defined in U.S. GAAP, the new credit losses standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Thus, for an SEC filer that has a calendar year fiscal year, the standard is effective January 1, 2020, and the institution must first apply the new credit losses standard in its Call Report, FFIEC 002,<sup>5</sup>

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<sup>2</sup> For further information, refer to the Glossary entry for "Nonaccrual Status" in the FFIEC 031 and FFIEC 041 Call Report instruction book, the FFIEC 051 Call Report instruction book, or the FFIEC 002 instruction book.

<sup>3</sup> Institutions include banks, savings associations, holding companies, U.S. branches and agencies of foreign banks, and foreign branches of U.S. banks and U.S. savings associations.

<sup>4</sup> As stated in the instructions for the FFIEC 002, U.S. branches and agencies of foreign banks may choose to, but are not required to, maintain an allowance for loan losses on an office level. Similarly, under this proposal, U.S. branches and agencies of foreign banks that have adopted ASU 2016-13 may choose to, but are not required to, maintain allowances for credit losses on loans and other financial assets measured at amortized cost (such as HTM debt securities), net investments in leases, and off-balance sheet credit exposures (not accounted for as insurance) on an office level.

<sup>5</sup> See footnote 4.

FFIEC 002S, FFIEC 030, and FFIEC 101 for the quarter ended March 31, 2020 (and in its FFIEC 030S for December 31, 2020), if the institution is required to file these forms.

For a PBE that is not an SEC filer, the credit losses standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Thus, for a PBE that is not an SEC filer and has a calendar year fiscal year, the standard is effective January 1, 2021, and the institution must first apply the new credit losses standard in its Call Report, FFIEC 002,<sup>6</sup> FFIEC 002S, FFIEC 030, and FFIEC 101 for the quarter ended March 31, 2021 (and in its FFIEC 030S for December 31, 2021), if the institution is required to file these forms.

For an institution that is not a PBE, the credit losses standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.<sup>7</sup> Thus, for an institution that is not a PBE and has a calendar year fiscal year, the standard is effective January 1, 2022, and the institution must first apply the new credit losses standard in its Call Report, FFIEC 002,<sup>8</sup> FFIEC 002S, FFIEC 030, FFIEC 030S, and FFIEC 101 for the quarter ended March 31, 2022 (and in its FFIEC 030S for December 31, 2022) if the institution is required to file these forms.

For regulatory reporting purposes, early application of the new credit losses standard is permitted for all institutions for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

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<sup>6</sup> See footnote 4.

<sup>7</sup> Subsequent to the publishing of the initial 60-day *Federal Register* notice for this proposal, the FASB amended the effective date to the periods indicated for entities that are not PBEs (non-PBEs) through an ASU issued November 15, 2018, ASU No. 2018-19, Codification Improvements to Topic 326: Financial Instruments—Credit Losses. The effective date for these entities reflected in this notice has been updated as appropriate.

<sup>8</sup> See footnote 4.

The following table provides a summary of the effective dates for ASU 2016-13.

<b>Effective Dates for ASU 2016-13</b>		
	<b>U.S. GAAP Effective Date</b>	<b>Regulatory Report Effective Date*</b>
<b>PBEs That Are SEC Filers</b>	Fiscal years beginning after 12/15/2019, including interim periods within those fiscal years	3/31/2020
<b>Other PBEs (Non-SEC Filers)</b>	Fiscal years beginning after 12/15/2020, including interim periods within those fiscal years	3/31/2021
<b>Non-PBEs</b>	Fiscal years beginning after 12/15/2021, including interim periods within those fiscal years <sup>9</sup>	3/31/2022 <sup>10</sup>
<b>Early Application</b>	Early adoption permitted for fiscal years beginning after 12/15/2018, including interim periods within those fiscal years	First 3/31 after the 1/1 effective date of early adoption of the ASU

*\*For institutions with calendar year fiscal year-ends and reports with quarterly report dates.*

For additional information on key elements of the new accounting standard and initial supervisory views with respect to measurement methods, use of vendors, portfolio segmentation, data needs, qualitative adjustments, and allowance processes, refer to the agencies' Joint Statement on the New Accounting Standard on Financial Instruments – Credit Losses issued on

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<sup>9</sup> See footnote 7.

<sup>10</sup> See footnote 7.

June 17, 2016, and Frequently Asked Questions on the New Accounting Standard on Financial Instruments – Credit Losses (CECL FAQs), which were last updated on September 6, 2017.<sup>11</sup>

## **B. EGRRCPA**

On May 24, 2018, EGRRCPA amended various statutes administered by the agencies and affected regulations issued by the agencies.<sup>12</sup> Two of the amendments made by EGRRCPA, as described below, took effect on the day of EGRRCPA's enactment and impact institutions' regulatory reports. In response to emergency review requests, the agencies received approval from OMB to revise the reporting of information in the Call Reports on certain high volatility commercial real estate (HVCRE) exposures and reciprocal deposits and in the FFIEC 101 report on certain HVCRE exposures for the June 30, 2018, report date. As a result of OMB's emergency approval of revisions to the information collections affected by the above statutory changes, the expiration date of these collections has been revised to February 28, 2019. The agencies are now undertaking the regular PRA process for revising and extending these information collections for three years as described in this notice.

- *HVCRE Exposures*

Section 214 of EGRRCPA adds a new Section 51 to the Federal Deposit Insurance Act (FDI Act) governing the risk-based capital requirements for certain acquisition, development, or construction (ADC) loans. EGRRCPA provides that, effective upon enactment, the agencies may only require a depository institution to assign a heightened risk weight to an HVCRE exposure if such exposure is an "HVCRE ADC Loan," as defined in Section 214 of EGRRCPA.

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<sup>11</sup> The CECL FAQs and a related link to the joint statement can be found on the following agency websites: Board: <https://www.federalreserve.gov/supervisionreg/srletters/sr1708a1.pdf>; FDIC: <https://www.fdic.gov/news/news/financial/2017/fil17041a.pdf>; OCC: <https://www.occ.gov/topics/bank-operations/accounting/cecl/cecl-faqs.html>.

<sup>12</sup> Pub. L. No. 115-174, 132 Stat. 1296 (2018).

Accordingly, a depository institution is permitted to use the definition of HVCRE ADC Loan in place of the existing definition of HVCRE loan when reporting HVCRE exposures held for sale, held for investment, and held for trading on Schedule RC-R, Regulatory Capital, Part II, Risk-Weighted Assets, in the Call Reports, as well as on Schedule B and Schedule G in the FFIEC 101 for institutions required to file that form.

- *Reciprocal Deposits*

Section 29 of the FDI Act (12 U.S.C. 1831f), as amended by Section 202 of EGRRCPA, excepts a capped amount of reciprocal deposits from treatment as brokered deposits for qualifying institutions, effective upon enactment. The current Call Report instructions, consistent with the law prior to the enactment of EGRRCPA, treat all reciprocal deposits as brokered deposits. When reporting in the Call Report, institutions should apply the newly defined terms and other provisions of Section 202 to determine whether they and their reciprocal deposits are eligible for the statutory exclusion and report as brokered deposits in Schedule RC-E, and brokered reciprocal deposits in Schedule RC-O, only those reciprocal deposits that are considered brokered reciprocal deposits under the new law.

## **II. Affected Reports and Specific Revisions**

### **A. Call Reports**

The agencies propose to extend for three years, with revision, the FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports.

*Report Title:* Consolidated Reports of Condition and Income (Call Report).

*Form Numbers:* FFIEC 031 (for banks and savings associations with domestic and foreign offices), FFIEC 041 (for banks and savings associations with domestic offices only),<sup>13</sup> and FFIEC 051 (for banks and savings associations with domestic offices only and total assets less than \$1 billion).

*Frequency of Response:* Quarterly.

*Affected Public:* Business or other for-profit.

## **OCC**

*OMB Control No.:* 1557-0081.

*Estimated Number of Respondents:* 1,207 national banks and federal savings associations.

*Estimated Average Burden per Response:* 45.76 burden hours per quarter to file.

*Estimated Total Annual Burden:* 220,929 burden hours to file.

## **Board**

*OMB Control No.:* 7100-0036.

*Estimated Number of Respondents:* 796 state member banks.

*Estimated Average Burden per Response:* 50.11 burden hours per quarter to file.

*Estimated Total Annual Burden:* 159,550 burden hours to file.

## **FDIC**

*OMB Control No.:* 3064-0052.

*Estimated Number of Respondents:* 3,523 insured state nonmember banks and state savings associations.

*Estimated Average Burden per Response:* 44.65 burden hours per quarter to file.

*Estimated Total Annual Burden:* 629,208 burden hours to file.

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<sup>13</sup> Banks and savings associations with domestic offices only and total consolidated assets of \$100 billion or more file the FFIEC 031 report rather than the FFIEC 041 report.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 95.47 (FFIEC 031), 55.71 (FFIEC 041), and 39.77 (FFIEC 051). The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the banks and savings associations under each agency's supervision (*e.g.*, size distribution of such institutions, types of activities in which they are engaged, and existence of foreign offices).

*Type of Review:* Extension and revision of currently approved collections.

### **General Description of Reports**

The Call Report information collections are mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (for federal and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

### **Abstract**

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering federal



deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including, in particular, interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate institutions' deposit insurance and Financing Corporation assessments and national banks' and federal savings associations' semiannual assessment fees.

## **B. FFIEC 002 and 002S**

The Board proposes to extend for three years, with revision, on behalf of the agencies the FFIEC 002 and FFIEC 002S reports.

*Report Titles:* Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks; Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank

*Form Numbers:* FFIEC 002; FFIEC 002S

*OMB control number:* 7100-0032

*Frequency of Response:* Quarterly

*Affected Public:* Business or other for-profit

*Respondents:* All state-chartered or federally-licensed U.S. branches and agencies of foreign banking organizations, and all non-U.S. branches managed or controlled by a U.S. branch or agency of a foreign banking organization

*Estimated Number of Respondents:* FFIEC 002 – 209; FFIEC 002S – 38

*Estimated Average Burden per Response:* FFIEC 002 – 23.87 hours; FFIEC 002S – 6.0 hours

*Estimated Total Annual Burden:* FFEIC 002 – 19,955 hours; FFIEC 002S – 912 hours

*Type of Review:* Extension and revision of currently approved collections.

### **General Description of Reports**

These information collections are mandatory (12 U.S.C. 3105(c)(2), 1817(a)(1) and (3), and 3102(b)). Except for select sensitive items, the FFIEC 002 is not given confidential treatment; the FFIEC 002S is given confidential treatment (5 U.S.C. 552(b)(4) and (8)).

### **Abstract**

On a quarterly basis, all U.S. branches and agencies of foreign banks are required to file the FFIEC 002, which is a detailed report of condition with a variety of supporting schedules. This information is used to fulfill the supervisory and regulatory requirements of the International Banking Act of 1978. The data are also used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. The FFIEC 002S is a supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of the foreign bank. A non-U.S. branch is managed or controlled by a U.S. branch or agency if a majority of the responsibility for business decisions, including but not limited to decisions with regard to lending or asset management or funding or liability management, or the responsibility for recordkeeping with respect to assets or liabilities for that foreign branch, resides at the U.S. branch or agency. A separate FFIEC 002S must be completed for each managed or controlled non-U.S. branch. The FFIEC 002S must be filed quarterly along with the U.S. branch or agency's FFIEC 002. The data from both reports are used for (1) monitoring deposit and credit transactions of U.S. residents; (2) monitoring the impact of policy changes; (3) analyzing structural issues concerning foreign bank activity in U.S. markets; (4) understanding flows of

banking funds and indebtedness of developing countries in connection with data collected by the International Monetary Fund and the Bank for International Settlements that are used in economic analysis; and (5) assisting in the supervision of U.S. offices of foreign banks. The Federal Reserve System collects and processes these reports on behalf of all three agencies.

### **C. FFIEC 030 and 030S**

The agencies propose to extend for three years, with revision, the FFIEC 030 and FFIEC 030S reports.

*Report Title:* Foreign Branch Report of Condition

*Form Numbers:* FFIEC 030 and FFIEC 030S

*Frequency of Response:* Annually, and quarterly for significant branches

*Affected Public:* Business or other for profit

#### **OCC:**

*OMB Number:* 1557-0099

*Estimated Number of Respondents:* 199 annual branch respondents (FFIEC 030); 57 quarterly branch respondents (FFIEC 030); 30 annual branch respondents (FFIEC 030S)

*Estimated Average Time per Response:* 3.4 burden hours (FFIEC 030); 0.5 burden hours (FFIEC 030S)

*Estimated Total Annual Burden:* 1,467 burden hours

#### **Board:**

*OMB Number:* 7100-0071

*Estimated Number of Respondents:* 14 annual branch respondents (FFIEC 030); 24 quarterly branch respondents (FFIEC 030); 11 annual branch respondents (FFIEC 030S)

*Estimated Average Time per Response:* 3.4 burden hours (FFIEC 030); 0.5 burden hours (FFIEC 030S)

*Estimated Total Annual Burden:* 380 burden hours

**FDIC:**

*OMB Number:* 3064-0011

*Estimated Number of Respondents:* 8 annual branch respondents (FFIEC 030); 1 quarterly branch respondent (FFIEC 030); 8 annual branch respondents (FFIEC 030S)

*Estimated Average Time per Response:* 3.4 burden hours (FFIEC 030); 0.5 burden hours (FFIEC 030S)

*Estimated Total Annual Burden:* 45 burden hours

*Type of Review:* Extension and revision of currently approved collections.

**General Description of Reports**

This information collection is mandatory: 12 U.S.C. 602 (Board); 12 U.S.C. 161 and 602 (OCC); and 12 U.S.C. 1828 (FDIC). This information collection is given confidential treatment under 5 U.S.C. 552(b)(4) and (8).

**Abstract**

The FFIEC 030 collects asset and liability information for foreign branches of insured U.S. banks and insured U.S. savings associations (U.S. depository institutions) and is required for regulatory and supervisory purposes. The information is used to analyze the foreign operations of U.S. institutions. All foreign branches of U.S. institutions regardless of charter type file this report as provided in the instructions to the FFIEC 030 and FFIEC 030S.

A U.S. depository institution generally must file a separate report for each foreign branch, but in some cases may consolidate filing for multiple foreign branches in the same country, as

described below. A branch with either total assets of at least \$2 billion or commitments to purchase foreign currencies and U.S. dollar exchange of at least \$5 billion as of the end of a calendar quarter is considered a “significant branch” and an FFIEC 030 report is required to be filed quarterly. A U.S. depository institution with a foreign branch having total assets in excess of \$250 million that does not meet either of the criteria to file quarterly must file the entire FFIEC 030 report for this foreign branch on an annual basis as of December 31.

A U.S. depository institution with a foreign branch having total assets of \$50 million or more, but less than or equal to \$250 million that does not meet the criteria to file the FFIEC 030 report must file the FFIEC 030S report for this foreign branch on an annual basis as of December 31. A U.S. depository institution with a foreign branch having total assets of less than \$50 million is exempt from filing the FFIEC 030 and 030S reports.

#### **D. FFIEC 101**

The agencies propose to extend for three years, with revision, the FFIEC 101 report.

*Report Title:* Risk-Based Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework.

*Form Number:* FFIEC 101.

*Frequency of Response:* Quarterly.

*Affected Public:* Business or other for-profit.

#### **OCC:**

*OMB Control No.:* 1557-0239.

*Estimated Number of Respondents:* 20 national banks and federal savings associations.

*Estimated Time per Response:* 674 burden hours per quarter to file.

*Estimated Total Annual Burden:* 53,920 burden hours to file.

**Board:**

*OMB Control No.:* 7100-0319.

*Estimated Number of Respondents:* 6 state member banks; 16 bank holding companies and savings and loan holding companies; and 6 intermediate holding companies.

*Estimated Time per Response:* 674 burden hours per quarter for state member banks to file, 677 burden hours per quarter for bank holding companies and savings and loan holding companies to file; and 3 burden hours per quarter for intermediate holding companies to file.

*Estimated Total Annual Burden:* 16,176 burden hours for state member banks to file; 43,328 burden hours for bank holding companies and savings and loan holding companies to file; and 72 burden hours for intermediate holding companies to file.

**FDIC:**

*OMB Control No.:* 3064-0159.

*Estimated Number of Respondents:* 2 insured state nonmember banks and state savings associations.

*Estimated Time per Response:* 674 burden hours per quarter to file.

*Estimated Total Annual Burden:* 5,392 burden hours to file.

*Type of Review:* Extension and revision of currently approved collections.

**General Description of Reports**

Each advanced approaches institution<sup>14</sup> is required to report quarterly regulatory capital data on the FFIEC 101. The FFIEC 101 information collection is mandatory for advanced approaches institutions: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1844(c) (bank holding companies), 12 U.S.C. 1467a(b) (savings and loan holding

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<sup>14</sup> See 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); 12 CFR 324.100(b) (FDIC).

companies), 12 U.S.C. 1817 (insured state nonmember commercial and savings banks), 12 U.S.C. 1464 (savings associations), and 12 U.S.C. 1844(c), 3106, and 3108 (intermediate holding companies). Certain data items in this information collection are given confidential treatment under 5 U.S.C. 552(b)(4) and (8).

## **Abstract**

The agencies use data reported in the FFIEC 101 to assess and monitor the levels and components of each reporting entity's capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework;<sup>15</sup> to evaluate the impact of the Advanced Capital Adequacy Framework on individual reporting entities and on an industry-wide basis and its competitive implications; and to supplement on-site examination processes. The reporting schedules also assist advanced approaches institutions in understanding expectations relating to the system development necessary for implementation and validation of the Advanced Capital Adequacy Framework. Submitted data that are released publicly will also provide other interested parties with information about advanced approaches institutions' regulatory capital.

## **Current Actions**

### **I. Introduction**

In response to the new credit losses standard, key elements of which were outlined above in Section A of "Supplementary Information, I. Background," the agencies reviewed the existing FFIEC reports to determine which reports may be affected by ASU 2016-13. As a result, on September 28, 2018, the agencies requested comment for 60 days on a proposal to revise and

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<sup>15</sup> 12 CFR Part 3, Subpart E (OCC); 12 CFR Part 217, Subpart E (Board); 12 CFR Part 324, Subpart E (FDIC).

extend the following FFIEC reports: (1) Call Reports (FFIEC 031, FFIEC 041, and FFIEC 051), (2) FFIEC 002 and FFIEC 002S, (3) FFIEC 030 and FFIEC 030S, and (4) FFIEC 101.<sup>16</sup>

The agencies also reviewed the existing FFIEC reports to determine which reports may be affected by EGRRCPA. As a result, additional revisions were proposed for the Call Reports (FFIEC 031, FFIEC 041, and FFIEC 051) and the FFIEC 101.

The comment period for the September 2018 notice ended on November 27, 2018. The agencies received comments on the proposals covered in the notice from two entities, a bankers' association and a bank. The commenters recommended clarifications to the language used in the notice and associated reporting instructions, as well as clarifying edits to the proposed revised reporting forms.

The agencies also reevaluated the proposed portfolio categories for which disaggregated allowance information would begin to be reported by institutions after adoption of ASU 2016-13 for held-to-maturity (HTM) debt securities on Schedule RI-C, Part II, on the FFIEC 031 and FFIEC 041. The agencies determined that separate reporting of allowances on HTM mortgage-backed securities issued or guaranteed by U.S. government agencies or sponsored agencies and other HTM mortgage-backed securities, which had been proposed in the September 2018 notice, is not needed because, at present, the former category of mortgage-backed securities would likely have zero expected credit losses. As a result, the agencies propose to combine these portfolio categories and collect only one data item, rather than two data items, for the total allowances on an institution's HTM mortgage-backed securities.

In addition, in December 2018, the agencies approved a final rule amending their capital rule to address CECL.<sup>17</sup> The final rule included revised terminology for the allowance balance

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<sup>16</sup> See 83 FR 49160 for a detailed description of the proposed revisions resulting from both ASU 2016-13 and EGRRCPA.



eligible for inclusion in regulatory capital.<sup>18</sup> The agencies plan to make a conforming terminology revision for the reporting of regulatory capital on Schedule RC-R.

After considering these comments, the agencies will proceed with the revisions proposed in the September 2018 notice to the FFIEC 031, FFIEC 041, FFIEC 051, FFIEC 002, FFIEC 002S, FFIEC 030, FFIEC 030S, and FFIEC 101, as originally proposed, with some modification to the FFIEC 031 and FFIEC 041, as noted above. The agencies will incorporate appropriate clarifying edits suggested by commenters in the updated instruction books and report forms. The agencies are now submitting requests to OMB for review and approval of the extension, with revisions, of the following FFIEC reports: (1) Call Reports (FFIEC 031, FFIEC 041, and FFIEC 051), (2) FFIEC 030 and FFIEC 030S, and (3) FFIEC 101. The Board is now submitting the FFIEC 002 and the FFIEC 002S to OMB for review and approval of the extension, with revisions, on behalf of the agencies.

#### **IV. Timing**

Subject to OMB approval, the proposed revisions related to ASU 2016-13 would begin to take effect March 31, 2019, for reports with quarterly report dates, and December 31, 2019, for reports with an annual report date, with later effective dates for certain respondents. The specific wording of the captions for the new or revised Call Report data items discussed in the September 2018 notice and the numbering of these data items, as identified in that notice, are subject to change.

This notice also includes other revisions to the Call Reports and the FFIEC 101 resulting from two sections of EGRRCPA, effective upon enactment on May 24, 2018, that affect the

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<sup>17</sup> The final rule has been scheduled for publication in the **Federal Register** on February 14, 2019.

<sup>18</sup> The agencies' final rule uses the term "adjusted allowances for credit losses" for regulatory capital purposes to distinguish such allowances from allowances for credit losses for accounting purposes.

information reported in these reports and for which the agencies submitted emergency review requests to OMB that OMB has approved.

## **V. Request for Comment**

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

- (a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- (b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
- (e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies. All comments will become a matter of public record.

Dated: February 5, 2019.

**Theodore J. Dowd,**

*Deputy Chief Counsel,*

*Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, February 1, 2019.

**Ann Misback,**

*Secretary of the Board.*

Dated at Washington, DC, on February 1, 2019.

Federal Deposit Insurance Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 2019-02330 Filed: 2/13/2019 8:45 am; Publication Date: 2/14/2019]